Housing in Urban Areas

630. SHRI BHAGABAN MAJHI: Will the Minister of URBAN EMPLOYMENT AND POVERTY ALLEVIATION be pleased to state:

(a) whether steps have been taken by Government to promote housing in the urban areas of the country;

(b) if so, the details thereof;

(c) the various incentives granted to promote housing in various States;

(d) whether the rate of interest is being reduced on individual housing loan; and

(e) if so, the details thereof?

THE MINISTER OF URBAN EMPLOYMENT AND POVERTY ALLEVIATION (SHRI SUKHDEV SINGH DHINDSA): (a) and (b) Yes, Sir. Though housing is a State subject and it is primarily the responsibility of State Governments to provide housing to people particularly those belonging to the EWS/LIG categories, the Cetral Government has been providing policy guidelines and taking various initiatives to promote housing in both urban and rural areas.

The National Housing and Habitat Policy-1998 has prescribed the role of the Central Government as that of a facilitator. Accordingly, Central Government has taken various initiatives to accelerate the pace of housing in the urban areas for achieving the targets laid down under the National Agenda for Governance. These include:—

(i) Providing finance at interest rates below market rates for EWS & LIG housing through HUDCO for construction of 4 lakh urban housing units each year. Cumulatively, since inception and as on 31.10.99, HUDCO has sanctioned 10009 urban housing schemes envisaging construction of 37.67 lakh dwelling units and development of 4.06 lakh plots. The National Housing Bank (NHB) through its 28 HFIs would channelise finance for 1.50 lakh houses. In addition the cooperative societies under National Cooperative Housing Federation (NCHF) umbrella would undertake construction

of 1.00 lakh houses. The balance 0.50 lakh units were proposed to be constructed through other initiatives.

(ii) Propagating cost effective technology through the Building Centre movement and through the Building Materials & Technology Promotion council.

(iii) Launching Training and Capacity Building programmes through the network of 622 sanctioned Building Centres to facilitate faster construction of housing through cost effective and appropriate technology.

(iv) Through legislative intervention and fiscal concession which will facilitate housing activity including rental housing early amendment of the NHB Act to facilitate speedy foreclousure and provision of the Tax free bonds to HUDCO will go a long way in making such interventions effective.

(c) During 1999-2000 the following fiscal concessions have been granted:

1. Interest on loan for self occupied property upto a ceiling of Rs. 75,000/- exempted from tax (Section 24 II Act).
2. The benefits available Under Section 43 (D) of II Act extended to Housing Finance Company also income of Housing Finance Company will be taxable on actual basis rather than on accrual basis.
3. The Reserve Bank of India (RBI) has advised the Scheduled Commercial Banks to lend upto 3% of their annual incremental deposits for housing sector as compared to the existing 1.5% and that the individual housing loans up to Rs. 10 lacs extended by them will form part of the priority sector lending as compared to the earlier limit of Rs. 5 lacs.
4. The foreclousre laws in the housing sector will be suitably simplified through amendments to the National Housing Bank Act.
5. The rate of depreciation on new dwelling units purchased by the corporate sector for its employees has been incresed from 20% to 40%.

6. NHB will start a housing scheme for small towns and it will provide for loans at reduced interest rate for small borrowers.

7. Tax free municipal bonds to a limited anount will be permitted.

(d) to (e) In the liberalized economic scenario interest rates on housing loans have been deregulated and are largely dependent on the general interest rate trends in the economy. However, National Housing Bank extends refinance in respect of housing loans in slabs upto Rs. 50,000/- at lower rates (10% in rural and 11% in urban areas) by way of cross subsidizing the same and Housing & Urban Development Corporation Limited (HUDCO) under this Ministry has launched its scheme entitled "HUDCO Niwas" in March 99 to provide direct loans to individuals for house construction. The interest rates have been reduced twice and are below market rates. HUDCO has offered certain other incentives to make these loans cheeper and more attractive.

Employment Opportunities in Urban Areas

631. SHRI S. VIDUTHALAI VIRUMBI: Will the Minister of URBAN EMPLOYMENT AND POVERTY ALLEVIATION be pleased to state:

(a) whether there are schemes which are implemented jointly with State Governments/NGOs to improve the employment opportunities in urban areas;

(b) if so, the details thereof alongwith norms applied therein; and

(c) if not, whether Government have any proposal to have such schemes?

THE MINISTER OF URBAN EMPLOYMENT AND POVERTY ALLEVIATION (SHRI SUKHDEV SINGH DHINDSA): (a) The Ministry is implementing Swarna Jyanti Shahari Rozgar Yojana (SJSRY), a Centrally sponsored scheme, in all urban towns in India, which seeks to provide gainful employment to the urban unemployed or under-employed poor living below poverty line by encouraging them to set up self-employment ventures or provisions of wage employment. The Yojana is funded on a 75:25